

**BEFORE THE
CALIFORNIA BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA**

In the Matter of the Accusation Against:

Case No. AC-2008-17

WILLIAM PATRICK BORCHARD
655 West Irving Park Road, Apt. 3315
Chicago, Illinois 60613

Certified Public Accountant
Certificate No. CPA 95968

Respondent.

DECISION AND ORDER

The attached Stipulated Settlement and Disciplinary Order is hereby adopted by the California Board of Accountancy as its Decision in this matter.

This Decision shall become effective on June 16, 2008.

IT IS SO ORDERED May 16, 2008.


FOR THE CALIFORNIA BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS

EDMUND G. BROWN JR., Attorney General
of the State of California
ARTHUR D. TAGGART,
Supervising Deputy Attorney General
LESLIE A. BURGERMYER, State Bar No. 117576
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Attorneys for Complainant

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Chicago, Illinois 60613

Certified Public Accountant
Certificate No. CPA 95968

**STIPULATED SETTLEMENT
AND
DISCIPLINARY ORDER**

Respondent.

IT IS HEREBY STIPULATED AND AGREED by and between the parties to
the above-entitled proceedings that the following matters are true:

PARTIES

1. Carol Sigmann ("Complainant") is the Executive Officer of the California Board of Accountancy ("Board"), Department of Consumer Affairs. Complainant brought this action solely in her official capacity and is represented in this matter by Edmund G. Brown Jr., Attorney General of the State of California, by Leslie A. Burgermyer, Deputy Attorney General.
2. Respondent William Patrick Borchard ("Respondent") is represented in this proceeding by attorney Alexis Haller, Swanson McNamara & Haller LLP, 300 Montgomery Street, Suite 1100, San Francisco, CA 94104; telephone: (415) 477-3800.

3. On or about September 15, 2006, the Board issued Certified Public Accountant Certificate No. CPA 95968 to Respondent. The Certificate was in full force and effect at all times relevant to the charges brought in Accusation No. AC-2008-17 and will expire on April 1, 2009, unless renewed.

JURISDICTION

4. Accusation No. AC-2008-17 was filed before the Board and is currently pending against Respondent. The Accusation and all other statutorily required documents were properly served on Respondent on April 9, 2008. Respondent timely filed his Notice of Defense contesting the Accusation. A true and correct copy of Accusation No. AC-2008-17 is attached hereto, marked as Exhibit A, and incorporated herein by this reference.

ADVISEMENT AND WAIVERS

5. Respondent has carefully read, discussed with counsel, and fully understands the charges and allegations in Accusation No. AC-2007-49. Respondent has also carefully read, discussed with counsel, and fully understands the effects of this Stipulated Settlement and Disciplinary Order.

6. Respondent is fully aware of his legal rights in this matter, including the right to a hearing on the charges and allegations in the Accusation; the right to be represented by counsel at his own expense; the right to confront and cross-examine the witnesses against him; the right to present evidence and to testify on his own behalf; the right to the issuance of subpoenas to compel the attendance of witnesses and the production of documents; the right to reconsideration and court review of an adverse decision; and all other rights accorded by the California Administrative Procedure Act and other applicable laws.

7. Respondent voluntarily, knowingly, and intelligently waives and gives up each and every right set forth above.

CULPABILITY

8. Respondent admits the truth of each and every charge and allegation in paragraphs 8 through 10, inclusive, in Accusation No. AC-2008-17.

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1 9. Respondent agrees that his Certified Public Accountant Certificate No.
2 CPA 95968 is subject to discipline and he agrees to be bound by the Board's imposition of
3 discipline as set forth in the Disciplinary Order below.

4 **RESERVATION**

5 10. The admissions made by Respondent herein are only for the purposes of
6 this proceeding, or any other proceedings in which the Board or other professional licensing
7 agency is involved, and shall not be admissible in any other criminal or civil proceeding.

8 **CONTINGENCY**

9 11. This stipulation shall be subject to approval by the Board. Respondent
10 understands and agrees that counsel for Complainant and the staff of the Board may
11 communicate directly with the Board regarding this stipulation and settlement, without notice to
12 or participation by Respondent or his counsel. By signing the stipulation, Respondent
13 understands and agrees that he may not withdraw his agreement or seek to rescind the stipulation
14 prior to the time the Board considers and acts upon it. If the Board fails to adopt this stipulation
15 as its Decision and Order, then the Stipulated Settlement and Disciplinary Order shall be of no
16 force or effect, except for this paragraph, it shall be inadmissible in any legal action between the
17 parties, and the Board shall not be disqualified from further action by having considered this
18 matter.

19 **OTHER MATTERS**

20 12. The parties understand and agree that facsimile copies of this Stipulated
21 Settlement and Disciplinary Order, including facsimile signatures thereto, shall have the same
22 force and effect as the originals.

23 In consideration of the foregoing admissions and stipulations, the parties agree
24 that the California Board of Accountancy ("Board") may, without further notice or formal
25 proceeding, issue and enter the following Disciplinary Order:

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1 6. **Practice Investigation.** Respondent shall be subject to, and shall permit,
2 practice investigation of the Respondent's professional practice. Such a practice investigation
3 shall be conducted by representatives of the Board, provided notification of such review is
4 accomplished in a timely manner.

5 7. **Comply With Citations.** Respondent shall comply with all final orders
6 resulting from citations issued by the Board of Accountancy.

7 8. **Ethics Course/Examination.** Respondent shall take and pass with a score
8 of ninety percent (90%) or better, a Board-approved ethics examination within one hundred
9 eighty (180) days of the effective date of this Order. If Respondent fails to pass said examination
10 within the tie period provided or within two (2) attempts, Respondent shall so notify the board
11 and shall cease practice until Respondent takes and successfully passes said exam, has submitted
12 proof of same to the Board, and has been notified by the Board that he may resume practice.
13 Failure to pass the required examination no later than one hundred (100) days prior to the
14 termination of probation shall constitute a violation of probation.

15 Notwithstanding any other provision of this probation, failure to take and pass this
16 examination within five (5) years of the effective date of this order constitutes a separate cause
17 for discipline of Respondent's license.

18 9. **Violation of Probation.** If Respondent violates probation in any respect,
19 the Board, after giving Respondent notice and an opportunity to be heard, may revoke probation
20 and carry out the disciplinary order that was stayed. If an accusation or a petition to revoke
21 probation is filed against Respondent during probation, the Board shall have continuing
22 jurisdiction until the matter is final, and the period of probation shall be extended until the matter
23 is final.

24 10. **Completion of Probation.** Upon successful completion of probation,
25 Respondent's license will be fully restored.

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DEPARTMENT OF JUSTICE

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1 11. Active License Status. Respondent shall at all times maintain an active
2 license status with the Board including during any period of suspension. If the license is expired
3 at the time the Board's decision becomes effective, the license must be renewed within thirty (30)
4 days of the effective date of the decision.

5 12. Cost Reimbursement. Respondent shall reimburse the Board for its
6 investigation and prosecution costs in the amount of \$3,251.00 which sum shall be paid on a
7 schedule approved by the Board or its designee. In no event shall the final payment be due less
8 than six (6) months prior to the end of probation.

9 ACCEPTANCE

10 I have carefully read the above Stipulated Settlement and Disciplinary Order and
11 have fully discussed it with my attorney, Alexis Haller. I understand the stipulation and the
12 effect it will have on my Certified Public Accountant Certificate No. CPA 95968. I enter into
13 this Stipulated Settlement and Disciplinary Order voluntarily, knowingly, and intelligently, and
14 agree to be bound by the Decision and Order of the California Board of Accountancy.

15 DATED: 4/16/08

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18 WILLIAM PATRICK BORCHARD
Respondent

19 I have read and fully discussed with Respondent William Patrick Borchard the
20 terms and conditions and other matters contained in the above Stipulated Settlement and
21 Disciplinary Order. I approve its form and content.

22 DATED: 4/17/08

23 SWANSON McNAMARA & HALLER LLP

24
25 By ALEXIS HALLER
26 Attorneys for Respondent

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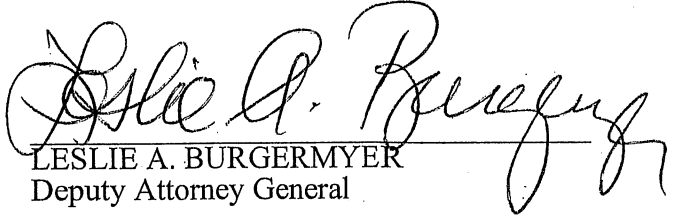
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ENDORSEMENT

The foregoing Stipulated Settlement and Disciplinary Order is hereby respectfully
submitted for consideration by the California Board of Accountancy.

DATED: 4/17/08

EDMUND G. BROWN JR., Attorney General
of the State of California



LESLIE A. BURGERMYER
Deputy Attorney General

Attorneys for Complainant

Exhibit A

Accusation No. AC-2008-17

1 EDMUND G. BROWN JR., Attorney General
of the State of California
2 ARTHUR D. TAGGART,
Supervising Deputy Attorney General
3 LESLIE A. BURGERMYER, State Bar No. 117576
Deputy Attorney General
4 1300 I Street, Suite 125
P.O. Box 944255
5 Sacramento, CA 94244-2550
Telephone: (916) 327-7868
6 Facsimile: (916) 324-5567

7 Attorneys for Complainant

8 **BEFORE THE**
CALIFORNIA BOARD OF ACCOUNTANCY
9 **DEPARTMENT OF CONSUMER AFFAIRS**
10 **STATE OF CALIFORNIA**

11 In the Matter of the Accusation Against:

Case No. AC-2008-17

12 **WILLIAM PATRICK BORCHARD**
13 2800 Berylwood Rd.
Somis, CA 93066

A C C U S A T I O N

14 Certified Public Accountant
15 Certificate No. CPA 95968

16 _____ Respondent.

17 Complainant alleges:

18 **PARTIES**

19 1. Carol Sigmann ("Complainant") brings this Accusation solely in her
20 official capacity as the Executive Officer of the California Board of Accountancy ("Board"),
21 Department of Consumer Affairs.

22 2. On or about September 15, 2006, the Board issued Certified Public
23 Accountant Certificate No. CPA 95968 to William Patrick Borchard ("Respondent"). The
24 Certificate was renewed timely in an "active" status (with continuing education) and is currently
25 in full force and effect through March 31, 2009. The Certificate will expire on April 1, 2009,
26 unless renewed.

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3. This Accusation is brought before the Board under the authority of the

The expiration, cancellation, forfeiture, or suspension of a license, practice, privilege, or other authority to practice public accountancy by operation of law or by order or decision of the board or a court of law, or the voluntary surrender of a license by a licensee shall not deprive the board of jurisdiction to commence or proceed with any investigation of or action or disciplinary proceeding against the licensee, or to render a decision suspending or revoking the license.

After notice and hearing the board may revoke, suspend, or refuse to renew any permit or certificate granted under Article 4 (commencing with Section 5070) and Article 5 (commencing with Section 5080), or may censure the holder of that permit or certificate for unprofessional conduct that includes, but is not limited to, one or any combination of the following causes:

(h) Suspension or revocation of the right to practice before any governmental body or agency.

(1) The imposition of any discipline, penalty, or sanction on a registered public accounting firm or any associated person of such firm, or both, or on any other holder of a permit, certificate, license, or other authority to practice in this state, by the Public Company Accounting Oversight Board or the United States Securities and Exchange Commission, or their designees under the Sarbanes-Oxley Act of 2002 or other federal legislation.

6. Code section 5107 provides, in pertinent part:

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BACKGROUND

7. From February 2006 to October 2006, Respondent, while licensed as a Certified Public Accountant Certificate No. CPA 95968 and employed as a Certified Public Accountant by PricewaterhouseCoopers LLP ("PWC"), Respondent provided PWC colleague Gregory B. Raben ("Raben") with material, non-public information about six publicly-held companies that Respondent learned were potential acquisition targets. Raben then traded on the basis of the material, non-public information provided by Respondent to Raben, resulting in Raben reaping ill-gotten gains of over \$20,000.00.

8. On or about January 15, 2008, the United States Securities Exchange Commission ("SEC") filed a complaint against Respondent in the United States District Court for the Northern District of California ("Court") in the case titled *SEC v. Gregory B. Raben and William Patrick Borchard* (Civil Action No. CV-08-250-EMC) alleging, among other things, the matters set forth in paragraph 7, above.

9. On or about January 25, 2008, the Court entered a *Final Judgment As To William Patrick Borchard* ("Judgment") which, among other things: (a) permanently restrained and enjoined Respondent from violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of 1934 and rule 10b-5 promulgated thereunder; and, (b) ordered Respondent to pay a \$20,835.57 civil penalty. Respondent consented to the entry of the Judgment without admitting or denying any of the allegations in the complaint.

10. On or about February 6, 2008, the SEC issued *Order Instituting Administrative Proceedings Pursuant to Rule 102(e) of the Commission's Rules of Practice, Making Findings, and Imposing Remedial Sanctions, In the Matter of William Patrick Borchard (CPA)*, Administrative Proceeding File No. 3-12949 ("Order"). Said Order became effective immediately pursuant to Rule 102(e)(3)(i) of the SEC Rules of Practice. Pursuant to said Order, Respondent is suspended from practicing as an accountant before the SEC.

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1 **FIRST CAUSE FOR DISCIPLINE**

2 **(Imposition of Discipline by the SEC)**

3 11. Respondent's Certified Public Accountant Certificate No. CPA 95968 is
4 subject to discipline on the grounds of unprofessional conduct within the meaning of Code
5 section 5100, subdivision (l), in that on or about February 6, 2008, the SEC imposed discipline
6 against Respondent by suspending him from the right to practice as an accountant before the
7 SEC. The circumstances surrounding Respondent's suspension are set forth in paragraphs 7
8 through 10, above.

9 **SECOND CAUSE FOR DISCIPLINE**

10 **(Suspension from Practice before a Governmental Body/Agency)**

11 12. Respondent's Certified Public Accountant Certificate No. CPA 95968 is
12 subject to discipline on the grounds of unprofessional conduct within the meaning of Code
13 section 5100, subdivision (h), in that on or about February 6, 2008, Respondent was suspended
14 from practicing as an accountant before the SEC, a governmental body/agency. The
15 circumstances surrounding Respondent's suspension are set forth in paragraphs 7 through 10,
16 above.

17 **PRAYER**

18 **WHEREFORE**, Complainant requests that a hearing be held on the matters
19 herein alleged, and that following the hearing, the California Board of Accountancy issue a
20 decision:

21 1. Revoking or suspending or otherwise imposing discipline upon Certified
22 Public Accountant Certificate No. CPA 95968 issued to William Patrick Borchard.

23 2. Ordering William Patrick Borchard to pay the California Board of
24 Accountancy the reasonable costs of the investigation of this case pursuant to Business and
25 Professions Code section 5107.

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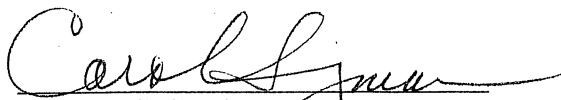
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3. Taking such other and further action as deemed necessary and proper.

DATED: April 8, 2008



CAROL SIGMANN
Executive Officer
California Board of Accountancy
Department of Consumer Affairs
State of California
Complainant